Claims:

Please cancel all of the claims of record and substitute new claims 1 through 25 as follows:

1. A method for defining indirect loss coverage as a mathematical function of the recovery on one or more coverage parts of an insurance policy:

   (a) using a contract that enables an exchange of money between two parties, where the loss protection buyer is someone other than an insurer or a reinsurer,

   whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove.

2. The contract of claim 1(a) that is structured as one or more provisions in any type of non-insurance contract.

3. The contract of claim 1(a) that is used to finance any type of indirect loss except business interruption, extra expense, and premium increase coverage.

4. The contract of claim 1(a) where said loss coverage is nonproportional and scaled based on the size of the losses recovered under said coverage parts of an insurance policy.

5. The contract of claim 1(a) where said loss coverage is proportional to the losses recovered under said coverage parts of an insurance policy.

6. The contract of claim 1(a) where said loss coverage is based said coverage parts of a casualty insurance policy.

7. A method for defining indirect loss coverage as a mathematical function of the recovery on one or more coverage parts of an insurance policy:

(a) using a contract that enables an exchange of money between two parties, where the loss protection buyer is someone other than an insurer or a reinsurer and the loss protection seller is someone other than the insurer who underwrote said insurance policy,

whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove.

8. The contract of claim 7(a) that is structured as one or more provisions in any type of non-insurance contract.

9. The contract of claim 7(a) where said loss coverage is nonproportional and scaled based on the size of the losses recovered under said coverage parts of an insurance policy.

10. The contract of claim 7(a) where said loss coverage is proportional to the losses recovered under said coverage parts of an insurance policy.

11. The contract of claim 7(a) that is used to finance any type of indirect loss except business interruption, extra expense, and premium increase coverage.

12. The contract claim 7(a) where said loss coverage is based said coverage parts of a casualty insurance policy.

13. A method for defining collateral loss coverage as a mathematical function of the recovery on one or more coverage parts of an insurance policy:

(a) using a contract that enables an exchange of money between two parties, where the loss protection buyer is someone other than an insurer or a reinsurer,

whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove.

14. The contract of claim 13(a) that is structured as one or more provisions in any type of non-insurance contract.

15. The contract of claim 13(a) where said loss coverage is nonproportional and scaled based on the size of the losses recovered under said coverage parts of an insurance policy.

16. The contract of claim 13(a) where said loss coverage is proportional to the losses recovered under said coverage parts of an insurance policy.

17. The contract of claim 13(a) where said buyer is someone other than the insured on the underlying insurance contract.

18. A method for defining collateral loss coverage as a mathematical function of the recovery on one or more coverage parts of an insurance policy:

(a) using a contract that enables an exchange of money between two parties, where the loss protection buyer is someone other than an insurer or a reinsurer and the loss protection seller is someone other than the insurer who underwrote said insurance policy,

whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove.

19. The contract of claim 18(a) that is structured as one or more provisions in any type of non-insurance contract.

20. The contract of claim 18(a) where said loss coverage is nonproportional and scaled based on the size of the losses recovered under said coverage parts of an insurance policy.

21. The contract of claim 18(a) where said loss coverage is proportional to the losses recovered under said coverage parts of an insurance policy.

22. A method for predefining acceptable mathematical functions of loss coverage and premiums for said coverage based on the losses paid by and the premiums paid for one or more coverage parts of an insurance policy:

(a) using a contract that enables an exchange of money between two parties, where the loss protection buyer is someone other than an insurer or a reinsurer,

(b) using a means of communicating this information to potential buyers that may want to enter into said contract,

whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove without the need for extensive negotiations.

23. The contract of claim 22(a) that is structured as one or more provisions in any type of non-insurance contract.

24. The contract of claim 22(a) where said loss coverage is based on said coverage parts of a casualty insurance policy.

25. The contract of claim 22(a) that is used to provide coverage for collateral losses.